

Remote working is changing business travel forever

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By Chris Biggs, partner, Theta Global Advisors / 8 July 2021



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Since the start of the Covid-19 pandemic, companies and employees have seen the many benefits of working remotely. With lockdowns making commutes no longer the norm, and travel restrictions making business travel impossible, the world has adapted and realised that they are perhaps not as essential as previously believed.

Just over a year ago, the prospect of conducting most company operations via Zoom, Slack, phone calls or email, was distinctly unappealing to decision makers. The reasoning behind this made sense: it was believed that virtual engagement makes it too difficult to foster friendly, personal working relationships with clients and colleagues that one traditionally develops face-to-face.

However, with working from home being the only option for most employees and businesses over the last 15 months, attitudes have definitively changed. Research from Theta Global Advisors has shown that 51 per cent of employees say they have seen their productivity and the quality of their work increase as a result of more flexible structures. What's more, McKinsey Global Institute have found that remote working could raise productivity in Western Europe by one per cent annually until 2024.

Workers have been able to avoid lengthy commutes on overcrowded trains or stuck in traffic jams. Their work-life balance has often vastly improved, potentially reducing levels of stress, and making them happier and more efficient in their roles as a result.

Though national and international travel for conferences, to make deals, or foster relationships with colleagues, clients, and partners can often be extremely useful and enjoyable, they may now appear less so to employees. What's more, if they aren't always objectively necessary to boost businesses, company accountants and leaders will be seriously questioning whether they are worth the considerable cost.

Our research in this sphere found that 57 per cent of UK workers now want to choose where to work to be most productive, be it in the office or at home. This is a mindset that could serve only to be amplified when employees come to consider the necessity of their business travel.

However, while workers globally have grown more accustomed to meetings via virtual platforms, networking opportunities at international conferences and deal-making functions best in person. Complex projects, mergers and acquisitions, and development opportunities require teams to visit sites, or in-person negotiations which can take days, making potential technical issues ever more cumbersome.

Indeed, for company morale and top talent, the approach of some companies such as Bumble to give a company-wide week off will not be enough to maintain happy and productive working cultures, nor to attract the best talent.

At many companies – particularly those that are global – opportunities for business travel are a key incentive for applicants to build experience in an international sphere. As such, opportunities for business travel, visiting client sites, and dealing with certain deals face-to-face will not only continue to prove more effective and personable, but will also continue to draw top talent from an increasingly globalised workforce.

These norms in the business world will not be erased due to Covid-19, and will absolutely continue to feature in how businesses across sectors conduct themselves. However, a year in lockdown with forced hybrid structures and work-from-home systems has seen that, similar to strict five-day working weeks in the office, travel is not always necessary. Employers will need to be more empathetic as to their employees' wants and needs when considering such strategies as well as when and whom they ask to engage in business travel.

Every trip we take for business will be scrutinised at a level never imagined pre-pandemic now that we have shown that cheaper options relying on tech are not only possible, but in many cases, more desirable. We have shown that using digital platforms can provide far more cost-effective solutions that do not require leaving home for days on end and paying for hotel stays, which has the additional benefit of reducing the environmental footprint of many companies.

Meanwhile, conference centres will likely be scaled back in conjunction with companies such as BA, HSBC, Aviva and more reducing their office space as demand for such facilities lessens.

Instead, companies relying on business travel will need to continue the shifts in approach they have adopted over the last two years, investing in tech options that allow attendees to engage with their services remotely. Clients needs have changed, but those shrewd enough to remain inventive – reducing physical space as necessary or repurposing office and conference centre space – will be able to take advantage of the newly digital landscape for a healthy future.

This is not to say that business travel is at a standstill, however. As lockdowns globally begin to ease, developers, investors, and those launching or completing mergers around the globe will take advantage of the ease of travel that is finally beginning to return. Indeed, we may even see an initial boost in business travel in response to this before companies settle into new norms with increased reliance on digital conferences and meetings, and reduced business travel in comparison to our pre-pandemic norms.